

**DEPARTMENT OF STATE REVENUE**

**LETTER OF FINDINGS NUMBER: 02-0494P**

**Sales Tax  
For August 2000**

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**ISSUE(S)**

I. **Tax Administration** – Penalty

**Authority:** IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

II. **Tax Administration** – Interest

**Authority:** IC 6-8.1-10-1

Taxpayer protests the interest assessed

**STATEMENT OF FACTS**

Taxpayer was assessed a penalty for failing to file its ST-103 for August 2001 and to make payment. A Best Information billing was issued on June 4, 2002 that the taxpayer paid on July 30, 2002 with check number 5065. A field audit investigation determined that the taxpayer owed \$665.25 in sales taxes for August 2001. The \$396.10 Best Information payment was applied to the investigated amount.

Taxpayer, in a letter dated September 23, 2002 requests that the department waive the penalty and interest because it had paid the tax timely.

I. **Tax Administration** – Penalty

### **DISCUSSION**

Taxpayer was assessed a ten percent (10%) penalty because it failed to file its return and pay the tax collected.

Taxpayer states its CPA handled its tax for August 2001 that was mailed on September 20, 2001.

Department records indicate neither tax return filed nor payment received. Taxpayer states that the check had not cleared its account and it was unaware that the tax had not been paid until the auditor notified her.

Taxpayer submitted a payment of \$396.10 on July 30, 2002 for a BIA billing and taxpayer believed this took care of the problem. On September 9, 2002 another billing for \$790.68 was received with a portion being penalty and interest. Taxpayer states it is unjust to be assessed penalty and interest when the Department lost its check, report, and tax number.

The Department has credited the taxpayer with the \$396.10 BIA payment (Liability Number 2001-01714352) and has applied it to Liability Number 2001-02004869 which has a current balance of \$388.99 at October 21, 2002 with a per diem of \$0.08.

Taxpayer has not provided reasonable cause to allow the penalty to be waived.

### **FINDING**

Taxpayer's protest is denied.

## **II. Tax Administration – Interest**

### **DISCUSSION**

Taxpayer protests the interest assessed.

### **FINDING**

The Department has no authority to waive interest.